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France, Hungary, Italy, Germany and Ireland, is quite naturally the longest.

Not all critics would agree with some of the editor's judgments, as, for example, his belief that the character of the revolution in Europe changed somewhat abruptly in 1848 from bourgeois to proletarian. But such criticisms should not obscure the fact that Mr. Postgate has prepared a most valuable and usable collection of documentary material, and that the publishers have presented it to the public in a very attractive dress.

ERNEST MINOR PATTERSON.

*University of Pennsylvania.*

RATHENAU, WALTER. *In Days To Come*. Pp. 286. Price, \$5.00. New York: Alfred A. Knopf, Incorporated, 1921.

Walter Rathenau has just returned to the Wirth Cabinet as Foreign Minister. As a leader in German business and politics, his views would deserve our thoughtful attention were there no other reasons for noticing them. But, in addition, his influence has been a powerful one in the reconstruction of German industrial life, and the economic organization of Germany today clearly reflects his views expressed a number of years ago in his *Die Neue Wirtschaft* and *Die Neue Gesellschaft*.

This volume is a translation of *Von Kommen den Dingen*, the most widely read of his numerous books, and has been well translated by Eden and Cedar Paul. In it Rathenau shows, as in his other writings, that remarkable and rare combination of the business man, the statesman and the idealist. To him the existence of a vast proletariat is a cause for shame and indignation. The nineteenth century brought a vast economic mechanism—materialistic, coercive, ruthless and antagonistic in its operation. Its task is "to nourish and maintain our teeming race"; but the thing needed is "a re-guidance of the spiritual," for "the heart is the supreme arbiter of all human happenings" and "all earthly activities and aims find their justification in the expansion of the soul and its realm." Our "goal towards which we strive is the goal of human freedom." Education, the corporate form of organization and the wider diffusion of administrative experience

have brought threats to "the hereditary stratification of capitalism."

But orthodox socialism is as senseless and as abhorrent to him as the crumbling structure of capitalism. Instead, our aim should be socialization, to be achieved by sweeping economic modifications, by a changed morality and by a will to achieve the goal. In this we must assent to the grant of power to the state, which "will become the moving center of all economic life." This state, however, will be vastly different from the one we know and will be a much more effective instrument for world welfare.

The volume is stimulating and inspiring. It is to be hoped that our publishers will rapidly increase their reprints and translations of leading European volumes. Wide reading by Americans of the great books of other countries will be one of the most helpful influences that could be injected into our thinking at this critical time.

ERNEST MINOR PATTERSON.

*University of Pennsylvania.*

JONES, WALTER. *Capital and Labor, Their Duties and Responsibilities*. Pp. viii, 168. Price, 2/6. London: P. S. King & Son, Ltd., 1921.

Every now and then some layman, with inadequate economic training, becomes so imbued with a pet scheme for healing the industrial ills of society that he cannot refrain from putting his ideas before the public. Mr. Jones lays himself open to severe criticism in this book, which bristles with economic fallacies. He believes that the distraught condition of world affairs today is largely due to two causes: the lack of a brotherly spirit between capital and labor, and the exaction of usurious rates of interest by the owners of capital. His genial recommendation for better coöperation between workers and employers is commendable, though hardly original; but his suggestions for stopping the "drain upon the nation" caused by high interest rates are ludicrously naïve. He would by law prohibit a rate of interest on loaned capital in excess of 2 per cent, and would have the government of Great Britain aid in reducing the rate of interest by supplying an abundant quantity of "liquid capital" for British industry in the form of an issue of

paper money, recommending not less than one billion pounds of "credit notes" for the purpose! Further comment is superfluous. The book is obviously a vehicle for exploiting the author's mischievous ideas on interest and money, which cannot be too positively condemned.

RAYMOND T. BYE.

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SIMPSON, KEMPER. *Economics for the Accountant*. Pp. 206. Price, \$2.00. New York: D. Appleton & Company, 1921.

The publication of this volume shows the trend of accounting thought at the present time. During the last decade, while there has been a wealth of literature upon accounting subjects, there has been little written, in book form, dealing with accounting as an application of economics. The student of accounting will find many and diverse text books upon the treatment of transactions in books of account and upon the preparation of business statements. He will also find a complete assortment of published material setting forth the theory of accounts, but after diligent search he will find but little literature written for the express purpose of discussing the relation between economic conditions and their expression in books of accounts and statements. Mr. Simpson attempts to present this relation and, taking all things into consideration, he is successful.

The thought in the mind of one who begins to read this book, namely, that no more than an outline of economic theory can be given in a book of two hundred pages, a portion of which is specifically devoted to accounting, is found to be true as he progresses through the volume. One must take for granted that the economic theories expressed are correct. There is no space for discussion. At the present stage in the development of accounting literature this is probably an advantage because many of those who study accounting are sufficiently short-sighted to avoid long discussions upon theory in order that they may leap at once into practical applications. It is to be hoped that such persons will read this book.

Concerning the theories expressed in the

volume, it may be stated that the author has conformed to the modern school of thought in both economics and the application of economics in accounting. It is to be supposed that there will be some who will not agree with all of the theories presented; notably those concerning the inclusion of interest in manufacturing cost, and value. This may be expected in the handling of any subject which is not an exact science.

The arrangement of the material in the book might be improved upon. The references to subsequent pages and chapters are too frequent. These references cause confusion in the mind of the reader instead of assisting him toward continuity of thought. Appendices I and II, upon "Interest as a Part of Cost," and "Disputed Items of Cost" might better have been placed as a portion of the chapter upon the doubtful elements of cost. The reviewer also believes that the theory underlying the handling of joint-costs is placed at a point where the reader is unprepared for so technical a discussion.

The author is not conclusive in his theory of handling bad debts as a deduction from gross sales: and in his differentiation between the accountant's classification of cost and the economist's classification of cost he is rather willing to concede the submerging of the underlying economic theory in its presentation upon the books. Furthermore, there seems to be more or less confusion concerning the use of the term "accounting cost." It is not clear whether the author means to use it in the sense of manufacturing cost or total cost. The author is, however, to be commended for the stand which he has taken concerning the appreciation of capital goods. Some theorists have permitted their theory to over-rule their better judgment in this connection.

It is to be hoped that the publication of this book will influence future writers in order that there may be sufficient literature for the student of economics who desires accounting knowledge, and for the student of accounting who desires economic knowledge.

THOMAS A. BUDD.

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